

U. S. DEPARTMENT OF COMMERCE

Sinclair Weeks, Secretary

BUREAU OF THE CENSUS

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ANNUAL RETAIL TRADE REPORT-1955



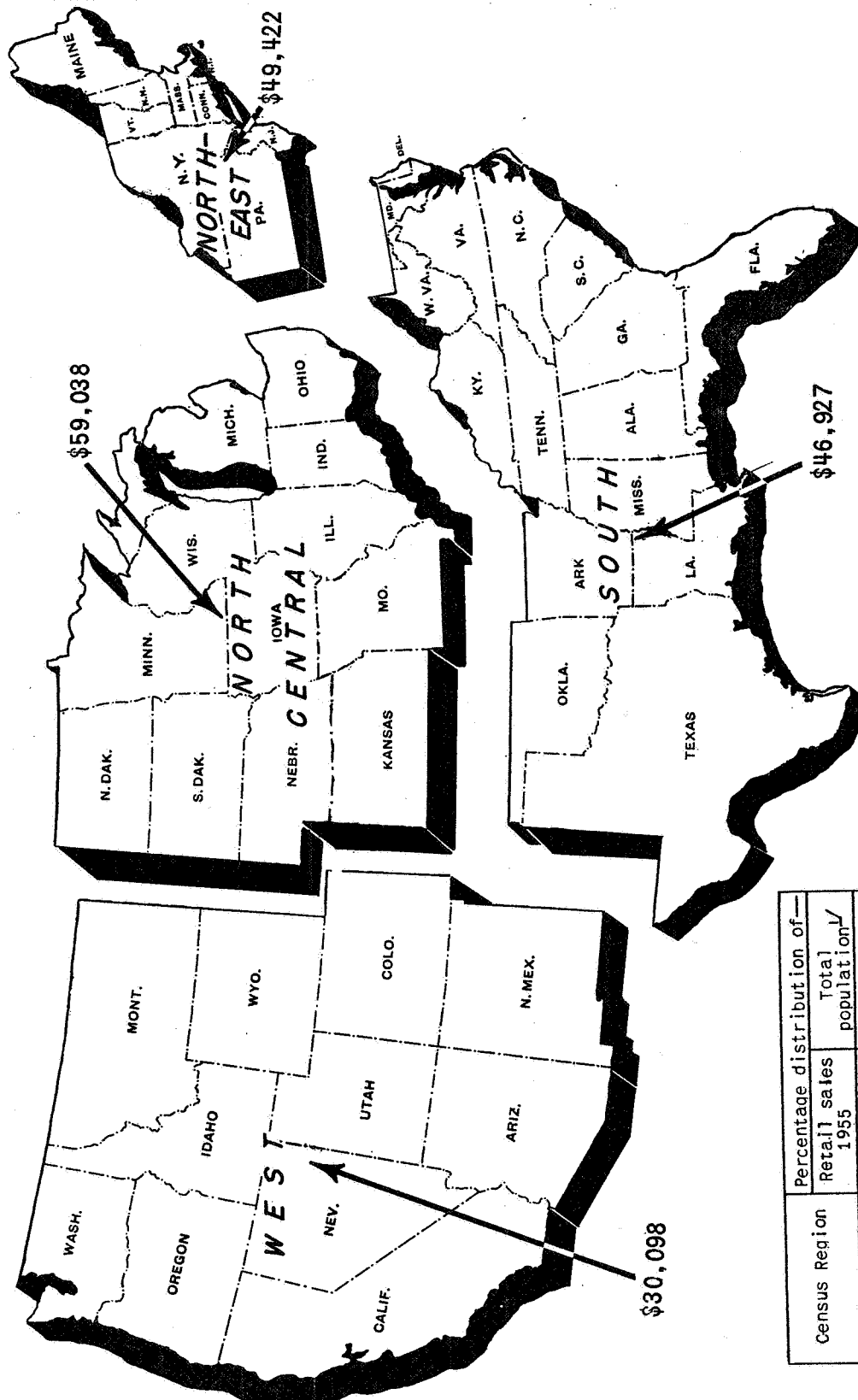
● SALES BY REGION

● MERCHANDISE INVENTORIES

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RETAIL SALES BY CENSUS REGION—1955

(IN MILLIONS OF DOLLARS)



Census Region	Percentage distribution of—	
	Retail sales 1955	Total population ^{1/}
Northeast.....	26.7	26.1
North Central...	31.8	29.7
South.....	25.3	30.3
West.....	16.2	13.9

^{1/}Based on preliminary civilian population estimates on July 1, 1955.

ANNUAL RETAIL TRADE REPORT: 1955

Data in this report are derived from the 1955 Annual Retail Trade Survey. Annual Retail Trade Surveys were previously conducted for the years 1951, 1952, and 1953. There was no Annual Retail Trade Survey for 1954 because a complete Census of Business was taken for that year. However, year-end retail store inventory figures for both 1954 and 1955 were collected in the 1955 Annual Survey and estimates were computed for 1954 by applying to the 1955 estimates the trend shown by establishments which were in business at the end of both 1955 and 1954. (The 1955 inventory estimates in this report are derived by weighting data reported by sampled stores by the inverse of their probability of selection.)

The difference in method of deriving the 1954 inventory estimates from that used in deriving the estimates for 1953 and earlier years has introduced the possibility of discontinuity in the series between 1953 and 1954. A limited change in sample design and differences in reporting by certain firms may also have contributed some discontinuity.

Estimates on balances due retail stores from customers (accounts receivable), such as were published in the Annual Retail Trade Report for year-end 1952 and 1953, are not available at this time.

Annual sales by Census region

Retail stores in the West had an increase in sales of 11 percent from 1954 to 1955, the largest increase among the four Census Regions (Northeast, North Central, South and West). However, stores in all of the four regions reported sizable increases for 1955 compared with 1954; the North Central and South having 9 percent increases, and the Northeast showing an increase of 7 percent. For stores of Group II firms (those which operated 11 or more stores in 1948) sales increases from 1954 to 1955 were not quite as large, except for the South Region. Group II store sales increased 10 percent in the South, 9 percent in the West, 7 percent in the North Central, and 5 percent in the Northeast.

The Group II store proportion of total retail store sales was slightly smaller in 1955 than in 1954, but this was due to the large increase in passenger car dealers' sales and the fact that Group I stores account for all but a negligible portion of total sales in this kind of business. For the other trades, in general, the trend from 1954 to 1955 followed that of recent years. In the grocery and department store fields the Group II stores increased their proportion of total retail sales while in the shoe and drug trades their portion continued to decrease.

In comparing 1955 annual sales with 1954 by kind of business, the following stand out as having a significantly different sales experience for a particular Census Region compared with the remaining regions: Department stores, Northeast (lower); and furniture and appliance retailers, Northeast (lower). For Group II stores in the same comparison: Grocery stores, South (higher); men's and boys' clothing and furnishings stores, Northeast (lower); and drug stores, Northeast (lower).

It is interesting to note that while 1955 sales of all retail stores in the Northeast Region account for about 27% of the United States total,

this proportion by kind of business varied between 16% for other general merchandise stores and 37% for shoe stores; for the North Central Region, 32% of the United States total, and between 23% for liquor stores and almost 40% for drinking places and the lumber, building, hardware group; for the South, 25% of the United States total, and between 15% of drinking places and 39% of other general merchandise stores. For the West, which accounts for about 16% of the United States total, this variation is considerably smaller: between 13% for apparel and variety stores and about 19% for gasoline service stations.

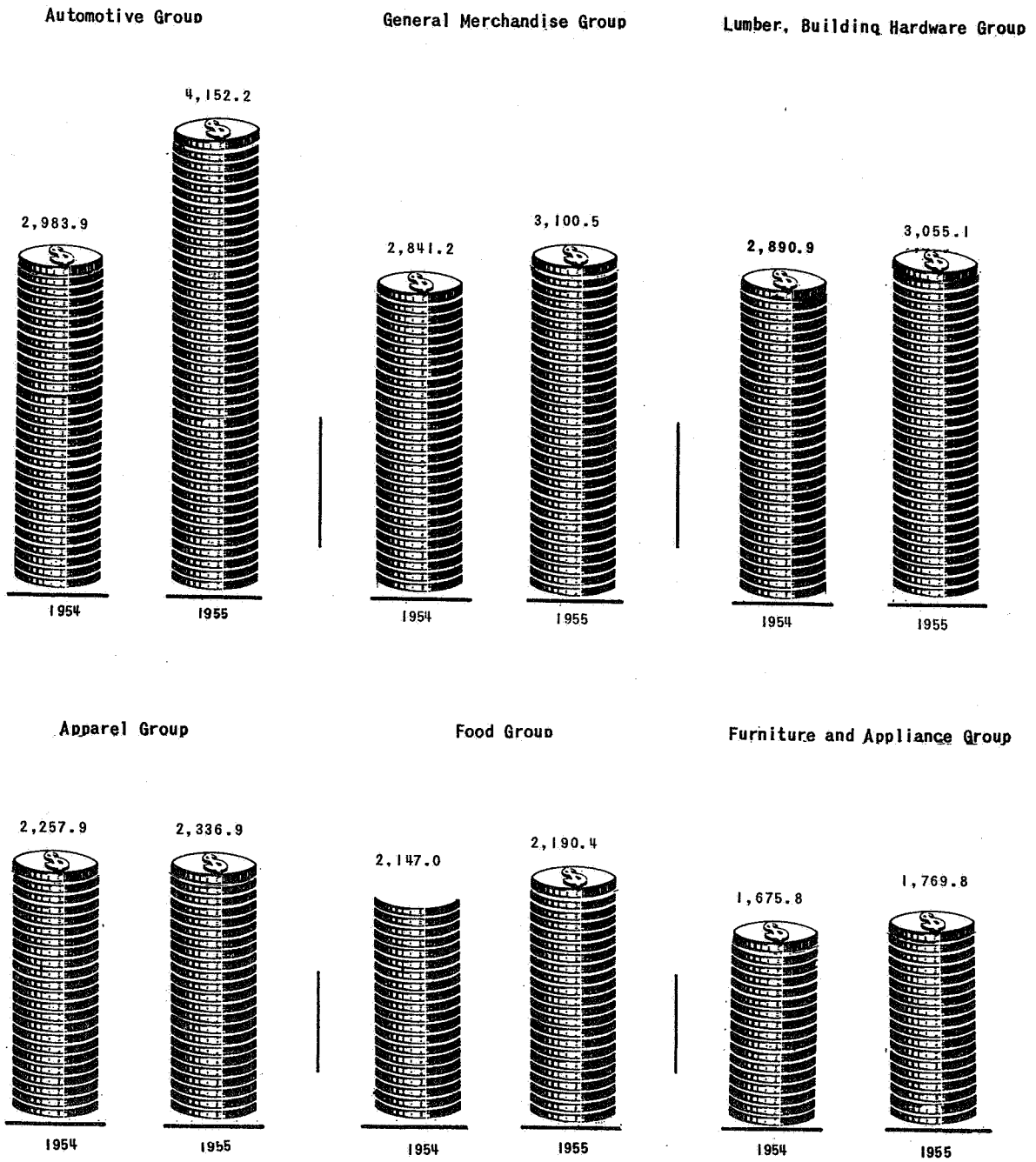
Merchandise inventories

Merchandise held for sale in retail stores throughout the United States on December 31, 1955, totaled \$21 billion, valued at cost, an increase of 10 percent from year-end 1954. An additional \$900 million worth of goods were located in warehouses of large multiunit retail firms.

Over one-fifth of the total value of all retail store inventories was accounted for by retailers who sell and service automotive vehicles and parts (the automotive group and gasoline service stations). For passenger car dealers the large value of inventories represented more than a 40 percent increase compared with December 31, 1954. Except for department stores and department store mail-order houses whose stocks increased 11 percent and 16 percent, respectively, from the end of 1954, virtually all other retail trades reported small to moderate increases.

For all retail kinds of business combined, 1955 annual sales were a little more than 9 times the cost value of year-end inventories. Sales-inventory ratios ranged from 2.6 for jewelry stores to 55.9 for meat markets, fish markets; with only liquor stores, passenger car dealers, and department stores being close to the average for all trades. These ratios are based on store inventories only and do not include warehouse inventories.

MERCHANDISE INVENTORIES OF RETAIL STORES AT COST VALUE, SELECTED KINDS OF BUSINESS, UNITED STATES
YEAR-END 1954 AND 1955



Each coin represents 100 million dollars

Table 1.—ESTIMATED SALES OF ALL RETAIL STORES AND GROUP II RETAIL STORES—UNITED STATES AND CENSUS REGIONS, BY KIND OF BUSINESS
1954 AND 1955

[Millions of dollars. Group II stores are those of organizations operating 11 or more stores.]

Kind of business	United States			Census regions ¹											
	1955	1954	Percent change, 1955 from 1954	Northeast			North Central			South			West		
				1955	1954	Percent change, 1955 from 1954	1955	1954	Percent change, 1955 from 1954	1955	1954	Percent change, 1955 from 1954	1955	1954	Percent change, 1955 from 1954
ALL RETAIL STORES															
United States, total.....	185,484	170,675	+9	49,422	46,179	+7	59,038	54,332	+9	46,927	42,905	+9	30,098	27,206	+11
Food group.....	43,638	41,634	+5	13,104	12,686	+3	13,071	12,589	+4	10,661	10,070	+6	6,803	6,293	+8
Grocery stores ²	36,919	34,995	+5	9,903	9,495	+4	11,186	10,668	+5	9,802	9,198	+7	6,027	5,631	+7
Eating and drinking places.....	13,663	13,131	+4	4,308	4,103	+5	4,315	4,195	+3	2,753	2,692	+2	2,279	2,135	+7
Eating places.....	8,917	8,463	+5	2,875	2,717	+6	2,432	2,367	+3	2,023	1,956	+3	1,584	1,421	+11
Drinking places.....	4,746	4,668	+2	1,432	1,386	+3	1,883	1,828	+3	730	736	-1	696	714	-3
General merchandise group.....	20,103	18,858	+7	4,700	4,460	+5	6,712	6,200	+8	5,547	5,177	+7	3,143	2,971	+6
Department stores, including mail order.....	12,214	11,494	+6	2,950	2,865	+3	4,520	4,163	+9	2,864	2,668	+7	1,877	1,750	+7
Mail order (catalog sales).....	1,332	1,222	+9												
Variety stores.....	3,298	3,028	+9	993	916	+8	964	885	+9	901	813	+11	440	414	+6
Other general merchandise stores ³	4,591	4,336	+6	755	677	+12	1,231	1,160	+6	1,781	1,678	+6	825	822	0
Apparel group.....	10,790	10,148	+6	3,803	3,552	+7	2,936	2,764	+6	2,653	2,541	+4	1,405	1,291	+9
Women's ready-to-wear stores.....	3,690	3,531	+5	1,236	n.a.	-	987	928	+6	972	927	+5	496	n.a.	-
Shoe stores.....	2,010	1,809	+11	739	657	+12	549	508	+8	n.a.	n.a.	-	n.a.	n.a.	-
Furniture and appliance group.....	10,055	9,082	+11	2,899	2,804	+3	2,936	2,570	+14	2,549	2,305	+11	1,669	1,402	+19
Lumber, building, hardware group...	13,839	13,034	+6	2,611	2,500	+6	5,431	5,155	+5	3,409	3,158	+8	2,337	2,220	+5
Automotive group.....	38,226	31,666	+21	9,012	7,566	+19	12,360	10,073	+23	10,369	8,614	+20	6,485	5,416	+20
Passenger car dealers (franchised) ⁴	32,305	26,679	+21	7,692	6,624	+16	10,802	8,797	+23	8,507	6,958	+22	5,304	4,298	+23
Gasoline service stations.....	12,412	11,445	+8	2,297	2,134	+8	4,188	3,943	+6	3,606	3,246	+11	2,321	2,122	+9
Drug and proprietary stores.....	5,233	4,941	+6	1,231	1,181	+4	1,735	1,638	+6	1,371	1,298	+6	899	823	+9
Liquor stores.....	3,547	3,417	+4	1,161	1,118	+4	830	801	+4	917	n.a.	-	639	n.a.	-
GROUP II RETAIL STORES															
United States, total ⁶	34,179	31,849	+7	9,887	9,446	+5	10,513	9,803	+7	8,380	7,646	+10	5,399	4,954	+9
Food group.....	15,250	14,345	+6	5,341	5,120	+4	4,423	4,201	+5	3,481	3,157	+10	2,004	1,869	+7
Grocery stores ²	14,223	13,359	+6	4,873	4,668	+4	4,085	3,874	+5	3,333	3,015	+11	1,932	1,802	+7
Eating and drinking places.....	706	663	+6	306	294	+4	180	164	+10	146	135	+8	75	69	+9
General merchandise group.....	9,725	8,862	+10	2,031	1,874	+8	3,277	2,990	+10	2,627	2,383	+10	1,792	1,616	+11
Department stores, including mail order.....	5,808	5,222	+11	1,117	1,013	+10	2,058	1,848	+11	1,490	1,335	+12	1,242	1,026	+11
Variety stores.....	2,510	2,357	+6	795	753	+6	726	686	+6	679	631	+8	310	287	+8
Apparel group.....	2,166	2,042	+6	755	725	+4	616	584	+5	495	458	+8	301	275	+9
Men's, boys' clothing, furnishings stores.....	184	183	+1	78	82	-5	53	51	+4	28	27	+4	25	23	+9
Women's apparel and accessory stores ⁷	851	793	+7	235	219	+7	255	240	+6	240	221	+9	122	113	+8
Women's ready-to-wear stores...	782	721	+8	215	198	+9	222	208	+7	230	210	+10	115	105	+10
Shoe stores.....	723	676	+7	237	226	+5	208	195	+7	168	156	+8	110	99	+11
Furniture and appliance group.....	715	724	-1	198	201	-1	165	173	-5	220	220	0	131	130	+1
Other retail stores.....	2,771	2,713	+2	865	892	-3	728	689	+6	697	665	+5	478	459	+4
Drug and proprietary stores.....	785	761	+3	127	129	-2	323	309	+5	206	199	+4	129	123	+5
Liquor stores.....	823	809	+2	269	265	+2	176	171	+3	228	227	0	150	146	+3

n.a. Not available. ¹ For States comprising the Census regions see Page 7. ² Includes data for grocery stores with and without fresh meat.

³ Withheld to avoid possible disclosure. ⁴ Includes data for general stores and dry goods and general merchandise stores.

⁵ Does not include data for passenger car dealers (nonfranchised).

⁶ Data for lumber, building, hardware group; automotive group; and gasoline service stations included in United States total only.

⁷ Includes data for women's ready-to-wear; other apparel, accessory, specialty; and furriers.

Note: (1) Group totals include data for kinds of business not shown separately.

(2) Sum of regions will not necessarily agree with the United States totals due to rounding and revisions not carried to United States totals because less than 1 percent of that total.

Table 1A.—SAMPLING VARIABILITY OF DOLLAR VOLUME ESTIMATES OF SALES OF ALL RETAIL STORES

Kind of business	Sampling variability (percent)					Kind of business	Sampling variability (percent)				
	United States	North-east	North Central	South	West		United States	North-east	North Central	South	West
ALL RETAIL STORES						ALL RETAIL STORES--Con.					
United States, total.....	1	3	2	2	4	Apparel group.....	3	7	4	4	5
Food group.....	1	3	2	2	3	Women's ready-to-wear stores.....	3	4	6	7	7
Grocery stores.....	1	2	3	2	3	Shoe stores.....	4	7	5	-	-
Eating and drinking places.....	3	9	3	5	4	Furniture and appliance group.....	4	9	5	5	12
Eating places.....	4	12	3	5	7	Lumber, building, hardware group....	3	6	5	5	9
Drinking places.....	3	5	4	12	7	Automotive group.....	3	7	6	5	11
General merchandise group.....	1	4	1	2	4	Passenger car dealers (franchised).....	4	8	6	6	10
Department stores, including mail order.....	(1)	(1)	(1)	(1)	(1)	Gasoline service stations.....	2	3	5	3	4
Mail order (catalog sales).....	0	0	0	0	0	Drug and proprietary stores.....	2	5	4	4	4
Variety stores.....	1	2	2	3	4	Liquor stores.....	5	12	9	11	13
Other general merchandise stores...	5	5	5	6	9						

¹ Sampling error is unknown but is believed to be low because a large part of the estimate is accounted for by establishments coming in to the sample with certainty.

Table 2.--MERCHANDISE INVENTORIES OF RETAIL STORES BY KIND OF BUSINESS--UNITED STATES: DECEMBER 31, 1955 and 1954

Estimated volume for all retail stores and retail stores and warehouses of multiunit organizations

(Millions of dollars)

Kind of business	Merchandise inventories, at cost, December 31										
	All retail stores			Retail stores of organizations operating--						Warehouses of organizations operating 11 or more retail stores	
				4 or more retail stores			11 or more retail stores				
	1955	1954	Percent change, 1955 from 1954	1955	1954	Percent change, 1955 from 1954	1955	1954	Percent change, 1955 from 1954	1955	1954
United States, total.....	20,994.5	19,062.8	+10	3,799.2	3,445.1	+10	2,831.8	2,536.8	+12	914.9	834.9
Food group.....	2,190.4	2,147.0	+2	550.3	510.0	+8	462.0	427.5	+8	419.0	396.4
Grocery stores ¹	2,026.1	1,984.9	+2	523.1	483.1	+8	442.3	406.9	+9	396.5	375.4
Eating and drinking places.....	462.4	462.8	0	15.6	14.3	+9	12.2	11.0	+11	7.6	7.2
General merchandise group.....	3,100.5	2,841.2	+9	1,627.9	1,419.4	+15	1,329.6	1,134.5	+17	157.9	125.1
Department stores, including mail order.....	1,641.2	1,472.4	+11	1,017.5	883.9	+15	792.7	669.5	+18	85.1	68.6
Mail order (catalog sales).....	229.0	198.0	+16	229.0	198.0	+16	229.0	198.0	+16	-	-
Variety stores.....	554.8	509.4	+9	372.2	332.0	+12	349.2	308.6	+13	43.0	33.8
Other general merchandise stores ²	904.5	859.4	+5	238.2	203.4	+17	187.6	156.4	+20	29.8	22.6
Dry goods and general merchandise stores...	670.0	624.9	+7	208.4	174.7	+19	175.9	144.5	+22	27.1	19.8
Apparel group.....	2,336.9	2,257.9	+3	430.0	402.1	+7	290.4	270.6	+7	62.6	56.8
Men's, boys' clothing, furnishings stores....	613.9	609.3	+1	55.5	53.6	+4	32.8	31.8	+3	9.3	8.9
Women's ready-to-wear stores.....	635.6	608.4	+4	113.3	106.8	+6	68.2	64.4	+6	9.1	9.4
Family clothing stores.....	361.4	347.5	+4	91.7	84.0	+9	70.0	64.6	+8	16.0	14.0
Shoe stores.....	474.7	457.5	+4	152.1	141.8	+7	112.4	102.9	+9	25.6	21.7
Furniture and appliance group.....	1,769.8	1,675.8	+6	202.1	192.3	+5	90.4	91.0	-1	39.8	38.5
Furniture, home furnishings stores.....	1,195.4	1,132.1	+6	119.7	111.4	+7	28.0	27.6	+1	26.2	23.9
Furniture stores.....	944.8	892.9	+6	107.2	99.7	+8	27.0	26.5	+2	8.2	7.1
Household appliance, radio stores.....	574.4	543.8	+6	82.4	81.0	+2	62.4	63.4	-2	13.6	14.6
Household appliance dealers.....	442.6	419.1	+6	72.5	72.3	0	56.3	58.2	-3	11.1	12.2
Lumber, building, hardware group.....	3,055.1	2,890.9	+6	407.2	379.2	+7	271.1	252.1	+8	26.7	26.9
Building materials dealers, plumbing, electrical stores.....	1,353.4	1,270.3	+7	286.9	264.8	+8	191.8	176.1	+9	13.6	12.6
Lumber yards, building materials dealers...	1,116.9	1,038.0	+8	240.5	222.4	+8	155.2	143.2	+8	2.4	2.2
Hardware stores.....	786.9	775.6	+1	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)
Farm equipment dealers.....	914.8	845.1	+8	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)
Automotive group.....	4,152.2	2,983.9	+39	166.9	134.7	+24	(4)	(4)	(4)	25.1	20.7
Passenger car, other automotive dealers.....	3,835.5	2,704.6	+42	42.4	31.4	+35	(4)	(4)	(4)	-	-
Passenger car dealers.....	3,712.1	2,596.0	+43	35.7	25.0	+43	(4)	(4)	(4)	-	-
Tire, battery, accessory dealers.....	316.6	279.3	+13	124.5	103.2	+21	119.4	97.0	+23	25.1	20.7
Gasoline service stations.....	609.0	571.9	+6	(3)	(3)	(3)	13.4	12.1	+11	5.7	4.9
Other retail stores.....	3,318.2	3,231.4	+3	372.7	368.4	+1	(4)	(4)	(4)	170.5	158.4
Drug and proprietary stores.....	913.0	884.7	+3	112.5	108.2	+4	89.9	87.4	+3	43.9	39.5
Drug stores.....	872.6	844.7	+3	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Liquor stores.....	451.6	438.9	+3	87.4	87.4	0	77.0	78.3	-2	76.6	71.2
Jewelry stores.....	507.0	498.8	+2	34.9	35.2	-1	16.5	16.7	-1	4.1	3.2
Feed, farm, and garden supply stores.....	390.0	385.4	+1	75.3	77.6	-3	29.3	32.0	-8	23.9	24.2

¹ Includes data for grocery stores with and without fresh meat.² Includes data for general stores and dry goods and general merchandise stores.³ Not shown because of high sampling variability.⁴ Withheld to avoid possible disclosure.

Table 2A.--SAMPLING VARIABILITIES FOR DOLLAR VOLUME ESTIMATES* OF RETAIL STORE INVENTORIES

Kind of business	Sampling variability (percent)	Kind of business	Sampling variability (percent)	Kind of business	Sampling variability (percent)
United States, total.....	1	Apparel group--Con.	5	Lumber, building, hardware group--Con.	8
Food group.....	3	Women's ready-to-wear stores.....	9	Farm equipment dealers.....	4
Grocery stores.....	3	Family clothing stores.....	6	Automotive group.....	4
Eating and drinking places.....	6	Shoe stores.....	5	Passenger car, other automotive dealers.....	4
General merchandise group.....	2	Furniture and appliance group.....	4	Passenger car dealers.....	5
Department stores, including mail order.....	2	Furniture, home furnishings stores.....	6	Tire, battery, accessory dealers.....	5
Mail order (catalog sales).....	0	Furniture stores.....	6	Gasoline service stations.....	3
Variety stores.....	5	Household appliance, radio stores.....	4	Other retail stores.....	3
Other general merchandise stores.....	6	Household appliance dealers.....	4	Drug and proprietary stores.....	3
Dry goods and general merchandise stores.....	7	Lumber, building, hardware group.....	4	Drug stores.....	5
Apparel group.....	3	Building materials dealers, plumbing, electrical stores.....	4	Liquor stores.....	9
Men's, boys' clothing, furnishings stores.....	8	Lumber yards, building materials dealers.....	6	Jewelry stores.....	9
		Hardware stores.....	5	Feed, farm, and garden supply stores.....	10

* Sampling variabilities apply to estimates for all retail stores, Table 2, col. 1 above. These sampling variabilities were computed from 1953 data, but should be approximately the same as would be expected from the 1955 data.

Table 3.--SALES-INVENTORY RATIOS BY KIND OF BUSINESS, UNITED STATES: 1955

All retail stores and stores of organizations operating 11 or more stores

Ratio¹ of annual sales to year-end inventories of retail stores

Kind of business	1955		Kind of business	1955	
	Total	Group II stores ²		Total	Group II stores ²
United States, total.....	9.2	12.0	Lumber, building, hardware group.....	4.7	5.3
Food group.....	20.9	32.8	Building materials dealers, plumbing, electrical stores.....	5.9	4.2
Grocery stores ³	19.2	31.9	Lumber yards, building materials dealers.....	5.8	3.8
Meat markets, fish markets.....	55.9	n.a.	Hardware stores.....	3.8	(⁵)
Eating and drinking places.....	30.2	n.a.	Farm equipment dealers.....	3.5	(⁵)
General merchandise group.....	6.5	7.1	Automotive group.....	10.3	7.3
Department stores, including mail order...	7.3	7.0	Passenger car, other automotive dealers..	10.7	(⁵)
Mail order (catalog sales).....	5.4	5.4	Passenger car dealers.....	10.9	(⁵)
Variety stores.....	6.1	7.2	Tire, battery, accessory dealers.....	6.0	5.8
Other general merchandise stores ⁴	5.2	7.5	Gasoline service stations.....	21.7	42.6
Dry goods, general merchandise stores...	5.1	7.5	Other retail stores.....	7.2	12.1
Apparel group.....	4.6	7.4	Drug and proprietary stores.....	6.4	8.8
Men's, boys' clothing, furnishings stores.	3.5	5.1	Drug stores.....	6.3	(⁵)
Women's ready-to-wear stores.....	6.5	11.3	Liquor stores.....	8.4	11.6
Family clothing stores.....	4.4	6.3	Jewelry stores.....	2.6	4.3
Shoe stores.....	3.8	6.2	Feed, farm, and garden supply stores....	12.6	n.a.
Furniture and appliance group.....	5.8	n.a.	Cigar stores.....	14.2	14.2
Furniture, home furnishings stores.....	5.3	n.a.	Florists.....	22.0	-
Furniture stores.....	5.0	n.a.	Fuel and ice dealers.....	16.8	14.6
Household appliance, radio stores.....	6.7	n.a.	Book and stationery stores.....	6.4	n.a.
Household appliance dealers.....	6.6	n.a.			

n.a. Not available.

¹ Based on only those firms in business the full calendar year.² Stores of organizations operating 11 or more retail stores. Warehouse inventories are excluded.³ Includes data for grocery stores with and without fresh meat.⁴ Includes data for general stores and dry goods and general merchandise stores.⁵ Withheld to avoid possible disclosure.

Note: Group ratios include data for kinds of business not shown separately.

STATES COMPRISING CENSUS REGIONS			
NORTHEAST REGION	NORTH CENTRAL REGION	SOUTH REGION	WEST REGION
<u>New England Division</u> Maine New Hampshire Vermont Massachusetts Rhode Island Connecticut	<u>East North Central Division</u> Ohio Indiana Illinois Michigan Wisconsin	<u>South Atlantic Division</u> Delaware Maryland District of Columbia Virginia West Virginia North Carolina South Carolina Georgia Florida	<u>Mountain Division</u> Montana Idaho Wyoming Colorado New Mexico Arizona Utah Nevada
<u>Middle Atlantic Division</u> New York New Jersey Pennsylvania	<u>West North Central Division</u> Minnesota Iowa Missouri North Dakota South Dakota Nebraska Kansas	<u>East South Central Division</u> Kentucky Tennessee Alabama Mississippi	<u>Pacific Division</u> Washington Oregon California
		<u>West South Central Division</u> Arkansas Louisiana Oklahoma Texas	

SAMPLE DESIGN AND RELIABILITY OF DATA

Sample design

The sample used for the Annual Retail Trade Report is essentially the same probability sample used by the Bureau of the Census to produce monthly estimates of sales of retail stores which are published in the Monthly Retail Trade Report, and consists of the following elements:

I. All large organizations--All large organizations are those organizations which, in the 1948 Census of Business, were reported as operating 11 or more retail stores, regardless of location in the United States. For convenience, the retail stores of this group of firms are referred to as Group II establishments.

II. All other retail stores--These stores, referred to as Group I stores, are represented by establishments located in 230 Census Sample Areas¹. These Census Sample Areas generally consist of combinations of two or three counties and were chosen randomly (with known probability of selection), one from each of 230 primary strata. Within these 230 Census Sample Areas, the sample consists of:

A. "Large" Group I stores were originally defined as those stores whose annual sales in 1948 exceeded a designated amount varying by kind of business and Census Sample Area. At the time of their selection, these "large" stores were the largest in their kind of business in their immediate locality. Since the Census Sample Areas vary in size from the largest metropolitan areas to the smallest rural areas, the size criteria for the selection of "large" stores also varies widely. Later, the stores "born" since 1948 whose estimated employment (by the employer) at the time of birth

equalled or exceeded the equivalent sales criteria mentioned above (i.e., by converting the number of employees into approximate sales volume) were added to the "large" store list. When the 1954 Census results became available, those stores whose 1954 sales failed to exceed designated amounts (again varied by kind of business and Census Sample Area) were eliminated from the list of "large" stores. All of the Group I "large" stores are included in the Bureau's monthly sales survey as well as the annual survey.

B. Group I stores other than the "large" stores described in "A" above ("small" stores and new stores regardless of size) are represented by stores located in a subsample of land segments within the Census Sample Areas. These land segments were selected with known probability and designated in 12 panels so that, in general, a different group of land segments is personally enumerated each month of the year for purposes of the monthly report. The stores located in 3 of these panels (the November, December and January panels) were included in the Annual Survey. In addition "special" area segment stores (those having 1954 sales exceeding criteria ranging from \$150,000 to \$300,000 depending on kind of business) were included in the Annual Survey regardless of which of the 12 panels they originally fell into (these stores are also reported each month for the Monthly Retail Trade Report).

APPROXIMATE NUMBER OF RETAIL STORES IN THE 1955
ANNUAL RETAIL TRADE REPORT

Total	Group II stores	Group I stores		
		"Large" stores	"Special" area segment stores	"Small" stores
116,000	80,000	6,000	6,000	24,000

¹ Group I department stores with sales of \$5 million or more in 1948 are an exception, such establishments being included in the sample, regardless of location.

If a more detailed description is desired of the retail store sample used by the Bureau of the Census, the subscription blank for the "Description of the Sample for the Monthly Retail Trade Report" included in the inside back cover of this report should be completed and mailed to the Bureau of the Census, Washington 25, D. C.

Reliability of the data

Because the estimates obtained are based on a sample, exact agreement is not expected with the results that would be obtained from a complete Census of retail stores in which the same enumeration procedure is used. However, because every retail store in the United States has had a chance of being selected for the sample, and because the probability of selection for each store in the sample is known, it is possible to approximate the sampling variability of the estimates made from the sample.

Approximate measures of the difference which arise from sampling for the national and regional sales estimates for the year 1955 are given in Table 1A. These measures should also approximate the variability in the 1954 estimates. However, the degree of variability in the 1955/1954 ratios should be somewhat less than the variability in either the 1955 or 1954 estimates.

Sampling variabilities are also approximated for the 1955 inventory estimates in Table 2A. Because of the method of arriving at the 1954 inventory estimates, they should be somewhat less reliable than the 1955 estimates but the ratios between the 1955 and 1954 estimates should have less variability than either the 1955 or the 1954 estimates. Variability of the sales-inventory ratios have not been approximated but they should

have somewhat less variability than the inventory estimates.

The tables of variability apply to totals for all retail stores. The estimates for the organizations operating 11 or more retail stores have no sampling variability because all of these organizations are taken with certainty. The estimates for organizations operating 4 or more retail stores are subject to sampling error because establishments in the 4-10 group are subject to sampling. This sampling error has not been approximated, but in general, are believed to be smaller than those for all retail stores.

All sampling errors shown are coefficients of variation at the one sigma level. At this level, the chances are two out of three that the quantities estimated in this survey would differ from the results of a complete Census by less than the percentages shown (there are about 19 chances out of 20 that the quantities estimated from this survey would differ from the results of a complete Census by less than twice the percentage shown).

Measures of sampling variability shown in Tables 1A and 2A of this report do not include biases which might arise due to errors in response or due to errors in the imputations made for nonreporters. About 10 percent of the inventory and sales totals shown were imputed due to nonresponse.

EXPLANATION OF TERMS

Retail trade

Retail trade includes those establishments primarily engaged in selling merchandise for personal, household, or farm consumption. Some of the important characteristics of retail trade establishments are: The establishment is a recognizable place of business and is engaged in activities to attract the general public to buy; the establishment buys or receives merchandise as well as sells; the establishment renders services or processes only incidental or subordinate to selling; the establishment is considered retail by the trade. Not all of these characteristics need be present, and some are modified by trade practice. Excluded from Retail Trade are peddlers and itinerant vendors without an established place of business. Also excluded are places of business operated by institutions and open only to their own members or personnel, such as restaurants and bars operated by country clubs, school cafeterias, cafeterias operated by industrial plants for their employees, and establishments operated by agencies of the Federal Government on military posts, at hospitals, etc.

Retail stores

These are separate places of business primarily engaged in selling merchandise at retail. In addition to those kinds of business readily recognizable as retail stores, such as grocery stores and drug stores, the term retail stores also includes eating and drinking places, gasoline service stations, lumber yards, coal yards, mail order houses, establishments from which direct selling (house-to-house) is conducted, and establishments which sell merchandise through coin-operated vending machines. Stores with annual sales less than \$500 during the year 1955 were excluded from the tabulations for this Annual Retail Trade Report.

Warehouses of firms operating 11 or more retail stores

These are warehouses which maintain a supply of merchandise and are primarily engaged in distributing that merchandise to retail stores within their own organization.

Sales

Sales include total receipts from customers during the year after deduction of refunds and allowances for merchandise returned by customers. Sales include receipts from repairs and from other services to customers; sales for resale; sales taxes and excise taxes; and financing charges. The sales figures represent total sales and receipts of all establishments primarily engaged in retail trade. They do not include sales at retail by manufacturers, wholesalers, service establishments, and other businesses whose primary activity is other than retail trade.

Merchandise inventories

Merchandise inventories in retail stores are stocks of goods (valued at cost) held for sale through the stores. Merchandise inventories in warehouses represent goods (valued at cost) which are held primarily for distribution to the retail stores within a firm's own organization.

Merchandise inventories do not include the value of fixtures, furnishings, equipment, and supplies used in store and warehouse operations and not held for resale. Inventories were reported as of the close of the calendar years, except for some businesses which used a fiscal year rather than the calendar year for accounting purposes. Data so reported have been accepted and included in the tabulations without adjustment.

Sales-inventory ratio

This is the relationship of annual sales to December 31 inventories. The ratio is derived by dividing annual sales by the cost value of year-end inventories. This sales-inventory ratio is based on data for only those stores in operation throughout the full year except for the ratios for organizations with 11 or more stores which are derived from annual sales figures containing sales of some stores not in operation the full year. Ratios for organizations with 11 or more stores are based on store inventories only and do not include warehouse inventories.

A pamphlet entitled, "Description of the Sample for the Monthly Retail Trade Report," is available. To obtain a copy, the order form below should be completed and mailed to the Bureau of the Census, Washington 25, D. C. Those entitled to receive the report without charge must check the appropriate group under which they qualify for free distribution.

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